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NOTES FROM THE EDITORS

This issue of MR is Vol. 31, No. 1, marking the 30th anniversary of Vol. 1, No. 1 which appeared in May 1949. Thirty years of continuous publication is not unique in the history of U.S. radical journalism, but it is certainly unusual and in MR's case it has been made possible entirely thanks to the support of the magazine's readers mobilized for the purpose through Monthly Review Associates. We thank you one and all for your continued backing and encouragement and promise to do our best to maintain and improve MR's work of socialist education in the years to come. A thirtieth anniversary celebration is scheduled to be held in New York on the evening of May 16th which will be before this issue reaches subscribers. We will report on the occasion in this space next month. In the meantime, we remind those who have been planning to join the Associates but haven't yet done so that now is a good time to act.

Both editors were in Mexico City for ten days in early April delivering a series of lectures at the Escuela Nacional de Estudios Profesionales-Aragón (ENEP-Aragón) on the general theme of "Economic Development in the Center and the Periphery," and taking part in the annual meeting of the Colegio de Economistas (a professional organization of

(*Continued on inside back cover*)

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CHINA: NEW THEORIES FOR OLD

Not surprisingly, the 1978 summer issue of MR on *China Since Mao* stirred up unusually strong reactions from readers. Not only has the number of letters and article-length commentaries received in response to the pieces by Neil Burton and Charles Bettelheim been extraordinarily large; even more noteworthy has been the intensity of feelings aroused by the analysis set forth in Bettelheim's contribution entitled "The Great Leap Backward."

The deep interest and sharp divisions of opinion among readers revealed by this correspondence have encouraged us to pursue an original intention of following up *China Since Mao* with further discussion and debate. In pursuit of this objective we are publishing, beginning on p. 21 below, selections from some of the longer commentaries received. On the other hand, we decided not to run any of the shorter letters which are primarily expressions of approval or disapproval and hence can hardly be considered as contributions to an understanding of the issues under discussion. In addition to selections from items submitted to MR, we are reprinting an article by Joan Robinson

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on Bettelheim which originally appeared in the September-October 1978 issue of *China Now*, a publication of the Society for Anglo-Chinese Understanding (SACU), which we believe helps to clarify the anti-Bettelheim view.

The fact that most of the selections appearing in this issue are critical of Bettelheim does not mean that this is an accurate reflection of the correspondence as a whole. Those expressing support of Bettelheim's position were presumably for the most part satisfied with his statement of the case. It was his critics who were moved to submit more substantive contributions.

Some readers have expressed disappointment that the editors have not provided their own interpretation of the new directions in China's development policies. Our reason is simply that on the basis of information coming out of China that happens to be available to us we did not feel that we had anything particularly interesting to say by way either of analysis of concrete developments or speculation about the future. As is well known, there has been no open debate in China on the line adopted by the post-Mao regime. Official pronouncements have consisted for the most part of attacks on former leaders and their alleged transgressions, together with high praise for the presumed wisdom and correct policies of the present leadership. As Bettelheim pointed out in "The Great Leap Backward," the new regime made no attempt to sum up and seriously analyze past experience; and until quite recently it has refrained from putting forward any coherent theoretical explanation or defense of its own policies.

Toward the end of 1978, however, a new period of consolidation set in. A special plenary session of the Central Committee of the Chinese Communist Party announced:

> Now is an appropriate time to take the decision to close the large-scale nationwide mass movement to expose and criticize Lin Piao and the Gang of Four and to shift the emphasis of our party's work and the attention of the whole people of our country to socialist modernization. (*New York Times*, December 26, 1978)

Accompanying this shift from primarily criticizing the past to mobilizing the people for the new program, and presumably in preparation for it, there began to appear during the second half of last year more revealing presentations of the theoretical

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implications of the "four modernizations" policy. (The term refers to the major emphasis now given to modernization of agriculture, industry, national defense, and science and technology.) The most important such statement was made by Hu Chiao-mu, president of the newly formed Chinese Academy of Social Sciences, in an address to a State Council meeting held in July 1978. An article based on this speech was then published in three consecutive issues of *Peking Review* (November 10, November 17, and November 24) under the overall title: "Observe Economic Laws, Speed Up the Four Modernizations."

This three-part article merits careful examination for several reasons. The author is a prominent figure in the Chinese leadership, and the speech itself was delivered to a high-level government body and then given special prominence in *Peking Review*. And still more important is the fact that the ideas put forth stand out in sharp, if not complete, opposition to the ideas and principles associated with the Cultural Revolution.

One interpretation of recent developments in China is that the multitude of innovations since the death of Mao do not represent a reversal of basic policy, but rather were designed to cope with newly arising problems or to correct former mistakes and excesses. Hu Chiao-mu, however, casts these changes in a different light. What he presents is not a rationale for pragmatic tinkering but a more or less coherent ideology capable of serving as a theoretical underpinning for a wholly new strategy of development.

The article in question consists of five parts with the following titles: (1) Objective Nature of Economic Laws, (2) Observe Economic Laws, (3) Expand the Role of Economic Organizations and Economic Means, (4) Take Agriculture as the Foundation in Real Earnest, and (5) Popularize the Science of Economics and Raise It to a Still Higher Level. While the new ideology permeates all five parts, the essence of Hu's ideas is contained in the first two parts of the article, to which we will confine our observations in what follows.

Are There Objective Economic Laws of Socialist Development?

The crucial concept that Hu Chiao-mu dwells upon is the insistence that there exist *objective laws* of socialist economic

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development. This is most clearly expressed in the following passage:

> There are still quite a number of cadres directing economic work in industry and agriculture who either do not recognize, or do not in actual practice recognize, the objective nature of economic laws and who refuse to take economic laws as such into account. They take the will of society, the government, and the authorities as economic law which can be bent to political expediency; this, as they see it, is what is meant by politics in command of the economy. These comrades have forgotten that "politics is the most concentrated expression of economics" [Lenin] and that over and above the economic laws in objective existence, politics itself cannot create other laws and impose them on the economy. In fact, insofar as the laws of economic development are concerned, the mission of correct political leadership by the Party lies precisely in making the maximum effort to see to it that our socialist economic work operates within the scope of these objective laws (as proved in practice, this is a very complex, arduous task). (I, p. 8)*

The notion that there are objective economic laws of socialist development is hardly new. Some sentences can be culled from the writings of Marx, Engels, Lenin, and Mao that might be interpreted as supporting this position.** In the Soviet Union, however, this idea is no longer a matter of an occasional loose formulation or rhetorical flourish. There, on the contrary, it has become enshrined as an item of faith and a central component of orthodox thought, repeatedly stressed in statements by Party leaders and in textbooks on economics and national planning.

The fact that the concept of "objective economic laws of socialism" has become such common currency in the Soviet Union and is emerging again in authoritative circles in China makes it all the more important to look into what this phrase means and what it implies.

One must begin by making a sharp distinction between the supposed objective laws of socialism on the one hand and the laws of nature and of capitalist development on the other. Natural laws identify and define forces that are objective in the

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* Roman numerals will here be used to indicate the first, second, or third *Peking Review* issues referred to above.

** This is an arguable point, but nothing would be gained by pursuing it further here.

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sense of being independent of the will of human beings. These forces can be adapted and used only insofar as the relevant laws are understood and taken into account. The laws of capitalist development also operate behind the backs of the people living under capitalism. With profit-making and capital accumulation as the driving forces, capitalist societies repeatedly pass through economic crises, generate increasing inequality of wealth and income not only between classes and regions within each capitalist country but also between core and periphery nations, and produce ever greater concentration and centralization of capital. No one ever designed or planned these patterns of development, and it was not until the work of the classical economists and Marx that they were even understood and explained by the logic of the system. It is in this sense that one can speak of objective laws of capitalism.*

But what about socialist societies? The central purpose of socialism is precisely to overcome the blind laws of capitalism and to subject the economy to conscious social control by the working people. Does this mean that there are no objective limits to what can be accomplished? It seems silly even to ask this question. Obviously, the size and skills of the labor force, the amount and quality of arable land, the potential supply of raw materials, the available tools and other equipment, the transportation and communication facilities—all these set severe constraints on what can be accomplished at any given time. Every step in planning, at the national and local levels, must take into account practical limitations. An aluminum plant without an adequate source of electric power would be useless. A chemical factory usually needs lots of water. A steel plant must have reachable sources of coking coal and iron ore. At the higher levels of planning, various balances and proportions have to be constantly taken into consideration—for example, between industry and agriculture, producer and consumer goods, extractive and manufacturing industries, transportation and distribution requirements, consumer income and the supply of consumer goods.

* Lukacs very aptly called capitalist society a "second nature" which stands outside of and opposed to its members.

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But what do objective limits have to do with "objective economic laws" of socialism? Here we come to the heart of the matter. The effect of confusing limits and constraints with laws obscures, one might even say covers up, the basic problems and policy issues of a socialist transition. The fact is that there are two interrelated and interdependent components of socialist planning: the *subjective* or *political* decisions about the primary goals to be met and the *objective* limits of what can in practice be accomplished. For example, the policy-makers of a socialist country may decide that their most important aim is to reach a certain stage of industrialization in a given period. Such a target is usually formulated (or popularized) in terms of "catching up with" or "overtaking" the industrial achievements of one or another advanced capitalist country in a specified number of years. Once this is accepted as the governing policy, a number of conclusions logically follow concerning annual rates of growth, the balance between producer and consumer goods, the division of tasks among regions, etc. Success or failure will depend on how competently the objective limits are understood and adapted to.

The decision to aim for a specific rate of industrialization, however, is not predetermined by any objective laws. It is *political* in nature—a decision made by political leaders within a given historical setting and in response to internal and external pressures. For a socialist society, there are other possible paths of development to choose from. For example, primary emphasis might be placed on laying the groundwork for an eventual transition to communism, with full recognition that the process would most probably be a very long one. This too would entail a great deal of industrialization, but the type and rate would differ greatly from what would be required if the goal were defined in terms of the quantity of industrialization as such.

An alternative policy of this sort would have to put a high priority on fulfilling the most basic needs of *all* the people, on substantial reduction of the differences between town and country, and on equalizing the levels of development of the diverse regions of the country. Such a strategy would exert its own logic on practical planning decisions concerning the balance

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between producer and consumer goods, the types of heavy and light industries to concentrate on, the tie-in between industry and agriculture, the location of new factories, and so on. And once again, how much could be accomplished and how rapidly would depend on objective limits, the competence with which these limits are understood and adjusted to, and (perhaps most important) the effectiveness of the politics of mass mobilization.

It can of course be argued, and indeed has been, that the surest and quickest way to communism is through first concentrating all resources on building up a modernized industrial base and then turning to the tasks alluded to in the preceding paragraph. This seems to us a profound fallacy, but to enter into it here would only divert attention from the point at issue, which is simply that there are no God-given, absolute, or objective laws of socialist economic development. The essential meaning of socialism is that among various possible options the main direction of development is guided by a *political* choice.* The overthrow of capitalism makes possible the *conscious* selection of a course of development which, if it is to work, obviously must take into account the existing objective constraints, including those created by conflicting interests among various sections of the population.

The recognition that there are policy options under socialism and that there is a pressing need to face up to the ultimate implications of each option is, in our opinion, the essential meaning of the slogan, "politics in command of the economy." Moreover, the urgency of stressing the slogan arises largely from a strong awareness of the existence of formidable objective limits. An industrially and agriculturally underdeveloped country embarking on a course of national planning is immediately confronted with the fact that there is not enough production to meet all the basic needs of the people. Decisions therefore have to be made on how to distribute an insufficient national output in a way that is consistent with social justice. Furthermore, a

* The laws of the market and other capitalist forces may of course influence the early stages of a socialist transition, and they will consequently act as constraints on socialist planning. This is especially so insofar as a non-collectivized peasant sector, artisan cooperative, and small capitalist enterprise continue to exist.

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policy is needed on the best way to mobilize a surplus that can be used to increase production capacity. Finally, priorities have to be established on what kind of productive capacity to add and for what purposes. Now, each of these policy decisions involves making choices as a result of which some sections of the population and some regions will fare better than others. In fact, scarcity has historically been the seed-bed from which classes and conflicting class interests sprout. We will not inquire here into the question of similarities and differences between the various social groups which characterize periods of socialist transition and social classes in preceding societies. But it does need to be understood that there must be conflicts of interest in any society of scarcity. And among the outstanding features of the "politics in command" approach is that it brings into the open the objective and subjective sources of these conflicts and hence faces up to the relationship between choice of national planning policy, group and regional interests, and the long-run nature of the socialist transition.

The "objective economic laws" approach, on the other hand, does just the opposite. It sweeps under the rug the issues behind the choice of basic policy, in effect substituting the following sequence of thought: (1) The course to be followed is objectively given—as Hu Chiao-mu puts it, "socialist economy means highly socialized mass production based on public ownership." (I, p. 9) (2) In order to derive maximum benefits from the socialist economy, the system must be run (or managed) in certain ways. (3) These ways are declared to be the "objective economic laws of socialism," which must be obeyed if the fruits of development are to be realized. Or, as Hu Chiao-mu expresses it: "If we correctly make use of the superiority of the socialist system and do things in conformity with objective laws, we will be able to speed up economic development with a mighty force hitherto unknown in human history." (I, p. 9)

As we see it, the doctrine of "objective economic laws of socialism," whether enshrined in Soviet theory or as now re-emerging in China, is nothing more than ideology in the Marxist sense of false consciousness. It is false consciousness because the necessarily subjective and political nature of the chosen path of development is buried under the obfuscating rubric of ab-

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solute and invariant "objective laws" that are independent of the will of people.

The second part of the article under discussion is devoted to commentary on three of these alleged objective laws: (1) the law of the planned, proportionate development of the national economy; (2) the law of value; and (3) the law of the identity of the interests of the state, the production unit, and the individual. Since it would take up too much space to examine all these laws in detail, we will focus on a feature of each one, hoping in this way to throw light on their real political meaning.

The First Economic Law

The first law, it turns out, has no resemblance to any commonly understood notion of a "law." All that is presented under this heading are several generalizations about the need for proper balance in development. One of the major points made concerns the relationship between local initiative and national goals. Local initiative is to be encouraged, but it "must be subordinated to the interests of the state as a whole." What this means is then explained:

> It is rational and proper for each and every province to industrialize itself; of course each must develop its industry to a high level suited to its own conditions and manufacture goods badly needed in everyday life and in reinforcing agricultural production. But it does not follow that each province must set up an independent and complete industrial system of its own, which is obviously out of the question at present and is not necessarily desirable in the long run. This is because resources differ greatly from province to province; if a province does not do things in keeping with its own conditions but tries to attain autarky in all respects, a tremendous waste of manpower and material will result and this will slow down the four modernizations in the country as a whole. (II, p. 16)

This all sounds sensible enough, and one might wonder why it needed saying, except for the probability that it might be intended to correct former unreasonably extreme interpretations of the local self-reliance principle. The two sentences that follow immediately after the above excerpt, however, suggest that something much more significant is intended:

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In the United States, for instance, each state lays emphasis on something of its own in industrial or agricultural development; the West European countries, too, exchange with one another what one has for what others lack. All this has not hampered, but, on the contrary, helped accelerate their modernization. (II, p. 16)

The fact that Hu Chiao-mu chooses to support his argument about the advantages of a regional division of labor from the experience of the capitalist countries is most interesting and worth considering for a moment. Let us first look at certain facts of U.S. history. Active capitalist modernization has been underway here for some 150 years. In addition, the government has for decades been taking measures to equalize regional incomes by favoring poorer states with defense installations and contracts for armaments production. Furthermore, the policy of agricultural price supports, starting from the days of the New Deal, has helped to elevate the income of the relatively disadvantaged states that concentrate on agriculture. With what results? In 1977 the per capita income of the relatively richest state, Connecticut, was 60 percent higher than that of the poorest state, Mississippi. A similar comparison between the poorest and richest counties would be much more startling, since in each case there are major inequalities between areas of the state. But even if we average out some of the differences, the resulting contrast is still significant enough. Thus the average per capita income of the ten richest states in 1977 was almost 40 percent higher than that of the ten poorest states.*

Looking a little more closely at these comparisons, we find that the ten lowest-income states are much more heavily engaged in agriculture than are the ten highest-income states. Thus in the former, income from manufactures was only 8 times that from agriculture, as compared with 14 times in the former. And even in manufacturing activity there are telling variations: in the ten high-income states over 80 percent of manufacturing income arises from producing durable goods, whereas this figure is less than 50 percent in the lowest-income states. What this

* The data given here and below on U.S. regional incomes were calculated from the statistics in the October 1978 issue of the *Survey of Current Business*. We have omitted the two highest income areas, the District of Columbia and Alaska, because of their exceptional features.

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suggests is that the inequalities in regional income are not accidental but are strongly correlated with regional specializations.

Significant regional differences associated with specialization are of course not confined to the United States. They exist, with perhaps even greater contrasts, in Western Europe, the other region referred to by Hu Chiao-mu. There are, first of all, the enduring economic inequalities between the countries of Northwestern Europe and those of the Mediterranean area. Then, within each country, notable regional variations in living standards abound, as in France and Italy. In Italy, for example, the 1975 per capita gross domestic product in the southern region was about one half that of the northwest region. The case of England is of course classic. In the country where the industrial revolution began and where one can look back on more than 200 years of industrialization, there is to this day a world of difference in stages of economic development (and income) between areas in Wales, Scotland, and northern England, on the one hand, and the more advantaged central and southern parts of the country on the other.*

One of the hallowed axioms of bourgeois economic theory is that regional specialization—with each area concentrating on using its most productive resources—combined with free trade will result in maximum benefits to *each* region. But as with other neat bourgeois theories, this one simply does not check out with what has been happening since the birth of capitalism. For it is in the very nature of capitalism, and of continuous "modernization," to produce and intensify differences between regions within even the most advanced capitalist nations, not to mention between core and periphery nations. And these differences are associated precisely with specialization.

These results are of course the logical outcome of capitalist calculations in terms of minimum costs and maximum profits. Industries tend to congregate in areas where there is an abundant and varied supply of labor skills, where complementary in-

* A recent and extremely interesting study of regional differences in the United Kingdom points out in this connection: "Production in Wales, Scotland, and Ireland was excessively specialized, whereas in England alone developed a diversified industrial economy." Michael Hechter, *Internal Colonialism, The Celtic Fringe in British National Development, 1536-1966* (Berkeley, California: University of California Press, 1975), p. 130.

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dustries are at hand, and where other "external economies" (ports, warehouses, freight transportation, electricity) are available. It was largely for this reason that foreign investors who provided the modern industries of pre-revolutionary China located their plants in a narrow strip along the coast, thereby intensifying already existing regional differences. And while during the past thirty years much effort has gone into eliminating the gross inequalities produced by pre-capitalist, capitalist, and imperialist influences, the regional problem remains a major obstacle to social justice in China.

Our purpose here is not to advocate one or another strategy for China's economic development. We simply want to explain and illustrate why we believe that Hu Chiao-mu's "objective laws" are neither objective nor laws. His emphasis in the above passage on the rationality of the regional division of labor—especially when one takes into account the reliance on capitalist experience to support the argument—certainly does not exemplify, as is claimed, an objective law of socialism. Rather, it reflects a *policy decision* to give first priority to the *speed* of modernization and to *cost efficiency*. Both of these considerations would move national planners to locate industries according to the same "objective" criteria that influence capitalist planners of new plant locations. Apart from counteracting influences associated, for example, with special political reasons or with military needs, the logical outcome would be more concentration of modern industry in large clusters rather than dispersion designed to minimize regional differences.

The Second Economic Law

Hu Chiao-mu starts out to explain the second economic law in the following fashion:

> The law of value is the universal law of commodity economy. Its essential feature is that the value of every commodity is determined by the socially necessary labor time required to produce it. Commodity prices are based on value and commodities are exchanged on the principle of the exchange of equal values. Under socialism, the production and circulation of commodities will continue for a long time; they should be greatly developed in our country and the law of value will continue to play an indispensable part in our economic life. (II, pp. 17-18)

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Much could be written about these propositions, but we must, for reasons of space, resist the temptation and focus our comments on the phrase "socially necessary labor time" that appears in the second sentence. In a capitalist society, "socially necessary labor time" is determined by specific characteristics of that society, including: (1) the constraints imposed on workers by the fact that labor power is itself a commodity, (2) the detailed control by management over workers in the work place, and (3) the discipline imposed by the market on competing capitals in the same industry. If the concept of "socially necessary labor time" is to be applied to a socialist society, it would surely have to have an entirely different meaning. The reason is that the aim of socialism is (or should be?) to eliminate the commodity nature of labor power and to develop democratic control by workers over their own processes and products.*

But for Hu Chiao-mu the significance of the application of the law of value as an objective law of all commodity-producing societies is precisely to impose a firm discipline on both workers and factory managers. This can be seen from the paragraph that follows immediately upon the preceding excerpt:

> In drawing up and carrying out plans, we must make use of the law of value and give expression to what is required by it. We must see to it that all enterprises (including the defense industry) make strict economical use of time, constantly strive for the best possible ratio between the expenditure of labor and material (materialized labor) and economic results, practice strict business accounting, strive to lower the unit-cost of production, and raise labor productivity and the rate of profit on funds invested; failure to do so will bring great losses and chaos to our cause of socialism. *No enterprise and no worker should be allowed to waste time, not even a single minute, and both should be held responsible for losses caused by the waste of time.* (II, p. 18, emphasis added)

This kind of language might be interpreted as a reaction to failures, mistakes, and looseness of the preceding period. Still, the fact that Hu Chiao-mu does not even bother to pay lip

* It follows that not only "socially necessary labor time" but also standards of efficiency and of cost would differ in capitalist and socialist societies. For in the latter, social goals such as redesigning work to make it a pleasant and creative experience would have to be considered as well as costs in time or money; whereas in capitalist societies the one and only purpose of cost accounting and cost control is the maximization of profits.

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service to the principles of the Cultural Revolution in this area, is surely significant. He is not demanding a new policy of strict discipline above all else as the answer to an emergency situation, or as the way to overcome some special difficulties in the short run. No, this is all put as a matter of applying the universal, second *objective* law to socialism. The matter could not be expressed more clearly or emphatically:

> Now that we are going to set things right [after the looseness of the preceding period], we should make use of the law of value, put the system of cost accounting on a sound basis and improve our management through the use of all kinds of targets for both goods and value, through strict application of the remuneration principle, "to each according to his work" and by linking the material interest of the worker and staff of an enterprise directly with success or failure of management. Without such reckoning and supervision, all other measures to improve management will be useless. (II, p. 19)

The Third Economic Law

The second and third laws overlap to some extent. The second law (applying the law of value) is needed not only to achieve utmost efficiency of enterprise, but it is also needed to reconcile conflicting interests, such as those between state and enterprise, state and worker, and factory and worker. And it is the reconciliation of the interests of the state, the enterprise, and the individual that is the subject of the third economic law.

Hu Chiao-mu does not see these conflicts as producing dynamic tensions in the system, nor does he recognize a need for repeated struggles (uninterrupted revolutions?) to pave the way for further advance in socialist transition. Instead, he seeks for an "objective law" that will reconcile diverse interests. And the solution he proposes is a simple one:

> We should link the interests of the state, collective, and individual directly so that every person in an enterprise takes it as a matter of his own material interests to be concerned about fulfilling the state plan and about what results the enterprise management achieves. (II, p. 21)

The key, then, as noted here and elaborated on elsewhere in the *Peking Review* articles, is a system of rewards and punishments in accordance with which the individual in pursuit of

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his or her material interests, and the enterprise in pursuit of its interests, will lead to the fulfillment of the state's interest. From such an arrangement, presumably, a new social equilibrium will evolve. But what kind of equilibrium? Surely not one in which conflicting interests are resolved by the democratic participation of the masses, nor one that promotes, or even considers, the development of socialist relations in the workplace.

The nature of the proposed reconciliation of interests is most clearly revealed when Hu Chiao-mu winds up this theme with a law that at first glance reads like a law—one that is "independent of man's will":

> The practice of millions upon millions of people in the long past has proved that in the historical period of socialism, when the principle "to each according to his work" is implemented, there is an upswing in the national economy and the socialist system is further consolidated and developed; when this principle is not implemented, the national economy fails to grow and the socialist system is apt to be impaired. This is an economic law independent of man's will. When things are done in accordance with this law people gain; when things are done contrary to it, people suffer. (II, p. 22)

What Hu Chiao-mu fails to see is that the very idea that such a law prevails "independent of man's will" is in direct contradiction with what socialism is all about. For the purpose of socialism, after all, is to create conditions in which the people can consciously direct the course of social development. True, this cannot happen overnight. The early stages of socialism will necessarily be a mixed bag of traditional bourgeois ideas and behavior patterns along with emerging new perceptions and practices. The development of socialism, therefore, cannot but represent a long learning process during which people and social relations change in decisive ways so that the people themselves will ultimately become the masters of their own destiny. On the other hand, if the leaders of an aspiring socialist country believe that people can operate in only one way which conforms to an objective law and is "independent of man's will," then it is in effect assumed that real social changes are impossible.

The key question is whether, as suggested by Marx, socialism is a transitional society during which the principle of "to each according to his work" is to be replaced eventually by

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"to each according to his need." If that is the aim, then clearly the one principle has to give way to the other in stages. Otherwise, the approach must be that one fine day the "objective law" will have to be repealed. The problem with the absoluteness of Hu Chiao-mu's formulation, if one is to learn from the experience of the Soviet Union where the same "law" is treated as holy writ, is that it serves as a rationale for a society that becomes increasingly stratified along hierarchical lines and in which differences and inequalities among the people are perpetuated.

Capitalist Management as a Guide

In addition to the three "objective laws" discussed above, there is another equally significant line of thought introduced by Hu Chiao-mu. This occurs in the concluding section of the first part of the article, "Objective Nature of Economic Laws." There he asks: "Why is it worthwhile to study the economic management of capitalist countries?" The essence of the answer is contained in the following paragraph:

> The planning and other managerial work which was done inside a factory in the early days of capitalism have developed into the modernized, highly efficient planning and other managerial functions carried out in today's big corporations and, to a certain extent, there is even some sort of planning and other management within a particular branch of a country's economy (agricultural production and management in the United States, for instance). Within these spheres the bourgeoisie do things consciously according to the objective economic laws (although this does not change the capitalist nature of their economy one whit, nor can this help avert crises). What is more, in doing such work over a long period of time, they have accumulated quite a fund of experience in applying these laws with proficiency. (I, p. 10)

The large modern capitalist corporations certainly do plan, and the successful ones plan quite efficiently.* Furthermore, it

* The reference in the above quotation to U.S. planning of agricultural production and management, however, is rather strange. It is true that the U.S. government exercises certain controls over some crops. But this is a far cry from planning. The controls operate primarily to improve the income of large farmers and agribusiness and result in greater concentration of capital in agriculture.

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makes some sense to say that "within these spheres the bourgeoisie do things consciously according to the objective economic laws." The important question, however, is what these laws are. The modern corporation, which after all is a unit of monopoly capital, must obey the following imperatives: maximize profits; attain a high rate of growth of sales and profits; and secure its assets by exercising as much control as possible over sources of raw materials and other supplies, distribution channels, and the markets in which it sells. Some of these points are summarized in a recent book on the history of American management by a professor of the Harvard Graduate School of Business:

> The modern industrial enterprise began when manufacturers built their own sales and distribution networks, and then their own extensive purchasing organizations. By integrating mass production with mass distribution, they came to coordinate administratively the flow of a high volume of goods from the suppliers of the raw materials through the processes of production and distribution to the retailer and ultimate consumer.
>
> In all these new enterprises . . . a managerial hierarchy had to be created to supervise several operating units and to coordinate and monitor their activities.
>
> Once such a hierarchy had successfully taken over the function of coordinating flows, the desire of the managers to secure the success of their enterprise as a profit-making institution created strong pressures for its continuing growth. Such growth normally resulted from two quite different strategies of expansion. One was defensive and negative and stemmed from a desire for security. Its purpose was to prevent sources of supplies or outlets for goods and services from being cut off or to limit entry of new competitors into the trade. The other strategy was more positive. Its aim was to add new units, permitting by means of administrative coordination a more intensive use of existing facilities and personnel. Such positive growth might be considered as productive expansion and negative or defensive growth as nonproductive expansion. One increased productivity by lowering costs, the other rarely did. (Alfred D. Chandler, Jr., *The Visible Hand—The Managerial Revolution in American Business* [Cambridge, Mass.: Harvard University Press, 1977], pp. 486-487.)

These observations, it should be noted, come from a scholar who is sympathetic to capitalist business and who takes capitalist rationality for granted. But it is clear that even what he calls

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positive expansion of enterprise is not necessarily productive or efficient from a social point of view. Generally, such "positive" growth is tied in with: greater efficiency in the use of advertising, sales promotion, and channels of distribution, i.e., better control over consumer markets; improved flow of cash and other financial advantages; and more effective utilization of the huge administrative, hierarchical bureaucracies that are inherent in the modern corporation.

We are not denying that there are achievements of capitalist management from which socialist planners can learn. For example, effective techniques have been developed by capitalist managers for the control of inventories and for the coordination of flows of raw materials, parts, and sub-assemblies in mass production. But there is more to unlearn than learn from the planning methods and administrative techniques of advanced capitalism. The reason is that the planning procedures and the management structure of the modern corporation are direct products of its strategy. And that strategy is one of how best to engage in monopolistic competition, how to further the concentration and centralization of capital, and how to manipulate its finances. The modern corporation is not only a conglomerate of diverse production and distribution activities. It is in many ways a self-contained money market, in which the shifting of money-capital among the different industries under its control and among affiliates in countries around the globe are a major profit source. Nor should it be forgotten that a core component of management and planning is the manipulation of funds and activities in order to minimize corporate tax payments.

Still, what about the great production achievements of modern capitalist industries? Isn't there much to be learned there? Without a doubt, the answer must be yes. Nevertheless, here too there is much to be unlearned. The reason is that the capitalist corporation goes all out to maximize the surplus value obtainable in the production process. For this purpose, strategy and planning in the factory concentrate on control over the worker. The design of machinery and of plant layout, the division-of-labor methods, the hierarchy of superintendence—all these are focused on how to squeeze the most out of the worker.

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In conclusion, perhaps the most interesting aspect of Hu Chiao-mu's lecture is the things he *doesn't* mention—especially the consequences for income distribution, regional differences, unemployment, economic and social gaps between town and country, and similar matters which are likely to result from his proposed politics of efficiency, rewards and punishments, use of market criteria, and learning from capitalist management. But these are matters which we have neither the ability nor the desire to pursue here. Our purpose, as we indicated earlier, is to explore what may be emerging as a *new ideology* in China. And in doing this we have tried to follow the wise precept contained in Marx's letter to his collaborator in founding the short-lived *Deutsch-Französicher Jahrbücher*:

> If the construction of the future and putting things to right for all time is not our business, it is all the more clear what our present task is: I mean the uncompromising criticism of everything that exists, uncompromising in the sense that it does not fear its own results and just as little fears conflicts with the powers that be. (Letter to Arnold Ruge, September 1843; Marx/Engels, *Werke,* vol. 1 [Berlin: Dietz Verlag, 1964], p. 342.)

There is, of course, plenty of darkness around us now, just as there was between the two wars. Those who wish to despair can find cause enough and more in our everyday life. Marxism does not console anyone by playing down difficulties, or minimizing the material and moral darkness which surrounds us human beings today. The difference is only—but in this "only" lies a whole world—that Marxism has a grasp of the main lines of human development and recognizes its laws. Those who have arrived at such knowledge know, in spite of all temporary darkness, both whence we have come and where we are going. And those who know this find the world changed in their eyes: they see purposeful development where formerly only a blind, senseless confusion surrounded them. Where the philosophy of despair weeps for the collapse of a world and the destruction of culture, there Marxists watch the birth-pangs of a new world and assist in mitigating the pains of labor.

—Georg Lukács, *Studies in European Realism*

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READERS COMMENT ON CHINA SINCE MAO

The following are a selection from correspondence received in response to *China Since Mao,* the July-August 1978 issue of MONTHLY REVIEW. The basis of the selection is discussed above, on pp. 1-2.—THE EDITORS

I. BY JEROME CH'EN

Bettelheim resigned from the Franco-Chinese Friendship Association on the grounds that "to give approval to the political line [which he thinks is revisionist] presently dominant in China, or even to maintain an attitude that might appear to be approval, is of service neither to the Chinese people nor to all those who are struggling for socialism in China." (pp. 12-13)*

As a person of Chinese origin who believes in friendship with China and the Chinese people, I find Bettelheim's attitude difficult to accept. First, friendliness with China means good wishes for its successes in socialist reconstruction. Even if one begins to suspect that China is going in the wrong direction, one should continue to help by careful observation and constructive criticism. If one happens to possess technical skills which China needs and places them at its disposal, so much the better. But to

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* All page references within the text are to *China Since Mao.*

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break off from it is too drastic and wrong: one would no longer be in a position to offer friendly advice, while hostile harangue would be unlikely to find a willing ear.

Second, Bettelheim admits that "we have too little information at our [or his] disposal to know the magnitude of the forces opposed to the present course." (p. 12) Equally true (but he does not say so) is that he has very little information about the wrong committed by those forces when they were in power and about many other aspects of more recent developments in China. Since we know so little—and certainly our humility would lead us to believe that we know much less than the Chinese leadership—it is hasty, to say the least, for us to break off our friendship with China. A wiser course would be to continue to be involved, judging China with cautiousness and a cool head. To break off is no answer; to hope for another internal turmoil in China so that "true socialism" will take power once more is totally unacceptable. China needs stability for her modernization, not upheavals.

Third, whatever our political persuasions may be, we must be aware of a fundamental principle—China exists and works for itself and its contribution to humanity, no more and no less. It does not do so to satisfy the ideological cravings of a handful of well- or ill-wishers. China has nearly one billion people to feed and clothe; it has a long common frontier with a power which does not profess to be friendly to it; it knows only too well that it began its modernization five years before the Meiji Restoration of Japan in the 1860s. Its leaders are fully aware that if they fail to guide the country to a higher standard of living and a stronger defense capability, the end will be not socialism, nor even revisionism, but chaos and subjugation.

Before examining Bettelheim's "Great Leap Backward" in detail, I would like to say a few words concerning my general impression of China. In 1978, on my trip, I met with workers, peasants, cadres, scholars, some members of my family, some old friends and teachers, and some total strangers. I had made a special request to visit some of the places I had seen on two earlier trips, in 1973 and 1974, and it was granted. On my previous two trips I was impressed by the sameness of facts and interpretations presented to me wherever I went and whomever

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I talked with. It was like watching the same play performed by the same troupe at different theaters. Not being a student of contemporary China, much less of its high-level policies, I have consistently refrained from talking or writing on China's lines of approach to socialism on the basis of the *same* facts and interpretation. The sameness was unsettling. Therefore I chose to make known my observations only of the daily life, the peasants, and things immediately knowable in China. This time, the sameness evaporated and was replaced by a diversity of facts and interpretations, although unity in socialist principles, goals, and support for the leadership was everywhere expressed. This diversity struck me as much more honest than the previous sameness; such honesty could emerge only when circumstances were freer than before.

Another general impression was that people, both the more and the less educated, showed a disenchantment with *empty political talk* and an anxiety to achieve tangible results in socialist reconstruction. They fully realized that the Chinese Revolution would soon be 30 years old. They were asking themselves: What had the People's Republic achieved in these 30 years, comparing not always with China before 1949, but with other countries in the Third World, Japan, and the West? They freely admitted their backwardness (not in the Bettelheim sense) and, at the same time, often in the same breath, pledged to do their best to translate socialism from plan to reality. To me, this is socialist realism which commands my admiration.

Does this mean that the Chinese have forgotten Mao Tse-tung Thought and the legacy of the Cultural Revolution? I have noticed no sign of either. Instead of enthusiastically shouting slogans in praise of Mao and his thought, the Chinese have adopted a cool-headed approach to the man and his teachings. To me, this is perfectly Marxist-Leninist, scientific, solidly commonsensical. Mao was no god, his teachings no dogma; to be cool-headed toward his teachings has nothing in common with revisionism.

Industry

In examining Bettelheim's "Great Leap Backward," I shall rely almost exclusively on my own observations. I could quote

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from Chinese publications to support my points, but I shall not do so simply because my teaching and research in Chinese history do not allow me to spend a week or two on this undertaking. I do read most of the important publications from the People's Republic, and the facts which I have gathered from reading point to conclusions very different from Bettelheim's.

Bettelheim charges that China now has adopted a policy of "production primacy" over "revolution primacy." By this he does not mean that revolution can be carried out without production, but he would like to see revolution guiding production. This can be done, to my understanding, in chiefly two senses—in providing an incentive which is not entirely material and in furnishing a set of principles of distribution of income which would not lead to a re-emergence of social stratification. Bettelheim argues that if revolution abdicates its leadership position in production, economism or productionism would take over. Then, enterprise profit would override social profit, so that it would be possible to provide more material stimulus for the workers and, as a result of this, egalitarianism would suffer. (pp. 50-51)

The immense amount of resources now being invested in raising the standard of education in China by the present leadership is evidence of its emphasis on social rather than enterprise profit. This will obviously benefit its economy, indeed the society as a whole. It is a social cost which will produce social profit in economic and cultural terms. Another social profit lies in the field of pollution control which I observed in Liaoyuan Chemical Plant in Shanghai. Tremendous amounts of money were spent in the recovery of useful materials from wastes, polluted water, and polluted air. The efforts of this factory were of course not an isolated case. Indeed, the city of Shanghai is alert and alarmed by the problem of pollution. Legislation has been adopted by the municipal government to clean the air and water in the city and its environs. Another immediately observable social profit is the leadership's endeavor to raise the standard of China's public-health work. The barefoot doctors are periodically retrained, and the medical education offered by the colleges is being tightened up. On my last two visits, I noticed the bottleneck in China's health service at the county level,

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to which the more complex cases were sent, and at which there was a lamentable shortage of qualified personnel. This was a level many visitors did not and could not see. The only solution conceivable to this thorny problem is to train more *qualified* doctors, skilled individuals, who can handle such cases. This is being done by increasing medical college enrollment and by giving the students more rigorous training. The barefoot doctor system, a legacy of the Cultural Revolution, is being maintained and improved upon.

One can relate other social-profit programs such as the reform in China's postal service which was grievously interrupted during the years of the Cultural Revolution and later. I knew of postcards that never reached their destination, of money orders that disappeared, and of letters delivered not to the doorstep of the addressee but only to the general office where the addressee worked. One can think also of the building of new railways and roads, of public housing in the form of apartments both in the cities and the countryside. The construction of apartments in Chengtu at a much greater rate since 1977 is a case in point. Can all this be called "enterprise profit"?

In order to make economism, productionism, or revisionism (all synonymous to Bettelheim) work, Bettelheim insists that the leadership must resort to coercion, to the eradication of industrial democracy, and to the setting up of a "command network" manned by cadres and technicians. (pp. 47-48)

But he offers no solid evidence to prove his charge of the existence of a "command network" in industry under the present leadership. I know that a key document drafted by Teng Hsiao-ping, has been circulated and discussed extensively, in the hope that lost industrial discipline can be restored. In the factories in Shanghai (Yimin Food Processing Plant No. 5 and the chemical plant already mentioned) and in conversations with the leaders in Chungking, my impression was that now the old, experienced workers were very much in command. At the food processing plant, about 10 percent of the workers are members of the party and about 40 percent of its leaders are party cadres who do not normally take part in productive work. It is true that the revolutionary committees of the factories were abolished (in

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April 1978) and replaced by a management (the directors of the factories). The leaders of the factories are, however, mostly old, experienced workers. Small group meetings which involve people on the shop floor are held twice weekly to discuss political as well as production problems, mostly the latter. When production problems are being discussed, it is usually the working, not the management, staff who are in command.

I will not say that the present leadership in China has solved all the problems concerning industrial democracy. Nonetheless, I am baffled by Bettelheim's assertion that there is now less of it in industry than before. The grievances aired in the correspondence columns of the *People's Daily* should be properly taken to mean a greater measure of freedom for mass criticism; and one can guess, only guess, that at the small group discussions in the factory, similar kinds of grievances are being expressed.

Let us ask: When politics took absolute command as it did in 1966-1976, how could a worker fulfill his or her political and economic tasks when they often were contrary to each other? What should a shop steward do when one of the workers requests a leave for political work or political study? Where would Bettelheim draw the line to indicate the end of political demands and the beginning of economic considerations? Where should political command give way to economic needs? When industrial anarchy prevails, where lies a clear line of demarcation between socialism and revisionism?

Neither Mao nor his present successors talk about democracy without at the same time referring to centralization, but Bettelheim would nevertheless like China to have democracy without centralization or with as little as possible. To Bettelheim centralization equals authoritarianism which, as described by him, bears no resemblance to any form of capitalism, but reminds one of the "oriental despotism" of Karl Wittfogel. If it existed in China, it would be the heir not of capitalism but of feudalism or traditional China. I fail to understand why, in discussing China's political and economic styles, one forgets its long and tenacious feudal past. Instead, one pays much attention to the capitalist bogey. Does this show unfamiliarity with Chi-

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nese history and an anxiety to project a European frame of reference on Chinese reality?

Again and again on my trip, I heard the word "feudal"—the feudal tradition handed down from emperors, military dictators, to an ill-informed, unmodernized, authoritarian person like Chiang Ching. Factional disputes are a feudal heritage which has disrupted China's progress towards modernization. This has been so since the fall of the Ching dynasty. When I discussed this point with historians in Shanghai, Chungking, Chengtu, and Peking, we lamented the misfortunes of our country in tacit agreement.

One manifestation of this feudal authoritarianism was to accuse people without adequate evidence; another, to offer almost no chance to the accused to defend themselves; yet another, to hold people guilty by association (wrong class background because of having been born into the wrong family). These things have nothing to do with Mao Tsetung Thought, though they were brought into being thanks to the ultra-leftists. When this style permeated political leadership in industry, it was no wonder that industrial discipline was lost.

One night I went to the teashop in the central park in Chengtu to take some tea with a friend. None of the tea cups had a brass tray under them, which was what any tea drinker in Chengtu would expect to have. The brass trays were stolen *en masse* during the Cultural Revolution. In the same period, workers became idle and their factories were not properly supervised. They just helped themselves to the building material of their factories for their own use. So nowadays one can see some of the traditional-style shops in Chengtu which are used also as houses having a wall facing the street and a door and window on it instead of the traditional boards. Innocently, I asked my friend why were not all the shop fronts remodeled in the same way with a door and a window, as they would be more comfortable in the summer. In the first place, he replied, building material was strictly controlled and, in the second place, most of the people who had changed their shop fronts obtained the material from their factories illegally.

Will the present line lead to the re-emergence of social

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stratification? By this I do not mean a few high-ranking cadres living in better quarters or traveling in small çars. I am not even thinking of Chiang Ching residing in the beautiful Peihai Park in Peking which had been "under repair," we were told, from the Cultural Revolution to her downfall. Both Bettelheim and I are talking about the emergence of a high social class—cadres plus technicians—which would destroy the egalitarian hopes of Mao. (p. 51) True, differential wages are still there and recently there was a round of increases, the first in many years. There is now talk of giving bonuses to the advanced workers. This is material incentive at work. However, we must compare such developments with what I have called the political rewards—a system Bettelheim apparently does not even know about.

When I went to Jenshou, Szechwan, to see a gigantic irrigation project, my driver remarked: "Professor Ch'en, in our country there is nothing you can do without an organization, even if you have a lot of money." How true! If one has money, one can travel quite freely inside the country, but one cannot find a room at an inn unless one carries a letter of recommendation from an organization; nor can one buy a railway ticket without organizational backing. One cannot go to an opera; one cannot enter Mao's Memorial Hall; one cannot do many other things without the recommendation of an organization. Moreover, attending conferences, gaining access to classified information, obtaining grants for research, and other facilities are based on one's political as well as one's professional performance. They are far more significant to one's future than wages and bonuses, and they are given to workers, peasants, cadres, and intellectuals alike. During the rule of the Four, the intellectuals, except those who worked for them, had scarcely a chance for these things. As long as this system of political rewards remains, one cannot see how China could become stratified in the Russian manner. Under poor economic conditions, its continued importance can be predicted.

Agriculture

Bettelheim states: Since 1976 agriculture has become increasingly dominated by "a highly centralized leadership over which the working people exercise no real control." (pp. 52-53)

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This is a highly unrealistic picture. Nowhere did I find a decline in popularization of, or local control over, intermediate technology. For instance, the use of methane gas for cooking has been popularized in Szechwan, especially on the west Szechwan plain, where winter temperatures and fertilizer supplies are favorable. What is different now is that the leadership knows more about the limitations of the gas; hence the original enthusiasm, as evidenced in Mao's instruction, has somewhat abated. At places where the supply of fertilizers is inadequate, it would interrupt fertilization of the fields if methane gas were produced. At other places, the winter temperature may be too low. Since it is difficult to regularize the pressure of the gas, peasants do not like the flickering methane lamps. The spread of the use of the gas in some regions and its abandonment in others in no way denote that the leadership has turned its back on Mao's instruction or on this intermediate technology.

This is but one of many similar examples showing the present leadership's attitude towards local initiatives, small and middle-size industries, and industrial decentralization. At Wukuei Brigade in Hsintu, the food-processing plant begun in 1974 has been not only maintained but greatly enlarged, and I have already mentioned the addition of a paper mill at the brigade next to Wukuei, Shihying Brigade.

Bettelheim is careless in his remarks on the private plots. He talks about these plots being both increased in size and reduced in size at the same time! (p. 54) Since his statements cancel each other out, I shall tell what I saw. In the ten brigades I visited in 1978, the private plots have since the end of 1976 mostly remained the same in size, but they are shared by more people because of demographic increase; some have been reduced, but never increased, in size. Moreover, most of these plots are now collectively farmed, although their produce is shared individually according to the size of the plot of each family.

There is no sign that the private market of farm produce has become more "respectable." (p. 55) Chinkang Brigade, Chungking, a suburban brigade supplying vegetables, fruit, and milk to the city, has introduced better methods for food preservation and better quality vegetables have been grown in larger quantities. Both these measures are intended to ensure a fresher

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and more varied supply of vegetables to the government-owned markets in Chungking, in competition with the private market. It is no longer true that if one wants to buy better and fresher vegetables because relatives are visiting, one has to go to the private market. What one could buy at the private markets I saw was not particularly impressive, and in Chengtu there were fewer people selling farm produce at street corners. These are the differences between what I had noticed in 1974 and what I saw this time.

A very popular move on the part of the government was its decision to allow peasants to pay public grain (the tribute referred to by Bettelheim, p. 53) in both "fine" (*hsi*) and "coarse" (*tsu*) grain (rice or wheat and millet, corn, potatoes, or sweet potatoes). Correspondingly, urbanites must learn to accept the coarse types. One can only scratch one's head in wonderment on reading Bettelheim's statement that "the peasants pay the highest possible amount of tribute."

As a positive step toward socialism, the present leadership has been encouraging the brigades to become the unit of accounting, in place of the much smaller teams. According to the leadership of Chinkang Brigade, this step was taken because the differences in productivity between the teams are disappearing, because the brigade desires to break through the team-ownership of land so that land can be more rationally utilized, and because there is the need to use humanpower more economically.

There is also the question of agricultural mechanization. Bettelheim is plainly wrong when he says that "agricultural equipment is to be centralized in workshops dealing with several brigades and communes." (p. 58) Chiehfang Commune of Shanghai and Wukuei Brigade of Hsintu are good examples that refute Bettelheim's "numerous statements," which he chooses not to quote. At both places, the commune and the brigade own machine shops which have plans for future expansion.

Where mechanization cannot be handled by small units like the commune or the brigade, or requires high technology, the government must play its part and must have new capital. Under conditions of increasing GNP, why should this "tell heavily

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upon the standard of living and working conditions of the workers and peasants"? (p. 60)

In all the brigades I visited this time, there are now day nurseries, whereas in 1974 there were only a few and in 1973 none at all. Private housing is now giving way to collective housing in some of these brigades, which is better built, better appointed, and uses land more economically. Everywhere I heard of the increase in the rations of sugar and pork, basic grain being no problem. Since the end of 1976 the GNP has been increasing at a faster rate, and consequently and unsurprisingly people are living better. Bicycles, for instance, are no longer rationed and transistor radios are more plentiful. Everywhere one saw women in more colorful and stylishly cut dresses. It seems that most Chinese have grown out of their pride in possessing a wrist watch or a sewing machine to wanting a TV set and a camera.

Education

Bettelheim laments the ending of the open-door schooling which signals to him the return of the old educational line before the Cultural Revolution. (p. 12) The restoration of the examination system is another decision he regrets. (p. 63) His anxiety is ill-founded and premature. China is a huge country which does not have a large army of qualified teachers. Whether China is to be modernized in the socialist or revisionist way, it must have well educated people, skilled individuals, who can help rather than make a mess of modernization. It is no good if the trained doctors and engineers make frequent and costly mistakes. I do not think anyone can reasonably object to raising the standard of education of China.

Bettelheim's regrets may be based on a fear that the change in the educational line will lead to a differentiation between the better and less-well educated and a further disparity between town and country. The question is: What should China do in the interval before reaching educational equality, if that is reachable? The policy during the 1966-1976 period was to thwart the more advanced while popularizing education for the less privileged. The result was a general lowering of the standard of education in favor of popularization. The colleges grad-

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uated students of little professional competence and the middle schools turned out semi-literates. The general cultural scene was similar—only seven operas and seven movies based on them, and very few books for the reading public. Teachers could not control their students, and many students could not find jobs. The so-called "social youth" (*she-hui ching-nien*) were a dire problem which contributed a great deal to the decline in social order and public morality.

If the Chinese are not happy to remain on the level of 20 percent chemical fertilizers and barefoot doctors, of coal stoves and two baths a month, modernization as defined by the present leadership must be speeded up.

Does this sort of modernization necessarily lead to strengthening the power of the intellectuals and the cadres? (p. 63) This is a moot question. For the time being, the signs are that the intellectuals and cadres are gaining more confidence and greater freedom in what they do and what they want to do. What is being done by the present leadership is to redress the injustice done to the intellectuals in the past ten years or so. To restore them to a position in which they can play a fuller role in China's modernization is not to strengthen them in the sense feared by Bettelheim. On this trip, as on the previous ones, I paid many visits to the homes of my former schoolmates and teachers. I found that they still lived humbly, no better than ordinary workers. The older scholars are better paid, but they are now fewer in number, while the younger ones are paid slightly better than factory workers. During the ten years after the Cultural Revolution, many of them were excluded from positions of responsibility and were silenced. China suffered in the process of depriving itself of the service of its highly educated men and women. A famous physician told me that in those years the ones who dealt with people did not deal with medical matters and those who dealt with medical matters did not deal with people. If now the experts are given a voice in decision-making, it is only wisdom, common sense, not revisionism.

Well-educated parents tend to bring up well-educated children. It is here that a new class may grow, and this is what worries Bettelheim. To arrest this tendency requires an elevation

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of the general standard of education and culture throughout the country, without at the same time crippling the creativity or changing the political orientation of the well educated. Only in this way will a modern country not suffer in the short run and be benefited in the long run. In this respect, I do not think the present leadership's method of sending large numbers of students to study abroad is the only answer to China's needs. The knowledge gap between China and the developed world must be closed as soon as possible, but the West and Japan, with their affluence and sexual permissiveness, can be quite corrupting. I hope that Chinese students abroad will not become like the Western-trained intelligentsia of some of the Third World countries. A supplementary method which, I believe, the Chinese leadership should pursue with all its energy is to translate foreign books selectively and critically, especially books on science and technology. With new theories and information thus made available to the students in China, we hope in a decade or two Chinese teachers will become more qualified. I hammered at this point again and again when I was in China.

Other points raised by Bettelheim are secondary in importance, and I will not waste more space on them. For instance, his comments on China's foreign-trade policy are both old-fashioned and dogmatic. (pp. 61-62) If China does not export primary goods in exchange for the capital goods and technology its needs, what on earth can it export? When a fully sovereign power exports primary goods in return for secondary goods, does this necessarily imply a colonial status, and is the trade colonial in nature? Take the trade between the United States and Japan for example. Is the United States a colony of Japan? (See also p. 115.)

In sum, when one shows concern over China's mass democracy, one would do well to remember the country's long feudal past which can, and did, turn "mass democracy" into arbitrary tyranny. That is why China now wants to establish socialist legality in order to exorcise that tyranny. Let us hope the ugly head of authoritarianism will never rear up again.

Judging from what I saw on this trip, I am not without misgivings about China's "rush" towards modernization. The priorities may be clearly mapped out; the theory behind them

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is far from evident. Let us hope that in her march towards socialist legality and modernization an unambiguous theoretical formulation will emerge. I feel this would be the best guarantee for her social and political stability. Having said that, I must be thankful to the solidity of China's party, army, and agriculture without which the transition from the Four to the present leadership would have been rough.

II. BY ROBERT S. LEIKEN

Charles Bettelheim, in the course of the past ten years, has made an extremely valuable contribution to a theoretical understanding of both the restoration of capitalism in the USSR and the Cultural Revolution in China; his analyses have had a significant impact on left intellectuals in Europe and America. As one greatly influenced by his writings, and as a co-worker with two of his collaborators and students here in Mexico,* I was distressed to learn of his resignation as chairman of the Franco-Chinese Friendship Association and of his letter attacking the Chinese Communist Party (CCP). On reading his "Great Leap Backward," distress yielded to dismay. It is impossible in a short reply to correct the many distortions contained therein or to treat adequately all the theoretical questions involved. This will be left for another occasion.** Here I shall attempt only to indicate that Professor Bettelheim's arguments on a number of specific points are inconsistent with the facts and with fundamental theoretical principles.

The first fact that Bettelheim's account evades is simple but extremely significant, namely, that the fall of the Gang

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* This article was originally undertaken in collaboration with one of them, Professor Jorge Calderón of the National University of Mexico. Pressing commitments have made it impossible for him to contribute directly, but his comments and suggestions on the text have been invaluable.

** In a long article to be written jointly with Jorge Calderón.

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of Four was the occasion for mass jubilation unknown since the exultation which greeted liberation in 1949. Reports in the Chinese and foreign press were unanimous in this respect, even down to such vivid details as the liquor stores' running out of wine amid the massive rejoicing for the "Second Liberation of China." Foreign residents wrote letters home about the spontaneity of the mass demonstrations—contrasting them to the anti-Teng campaigns; visitors returning from China confirmed the existence of this popular explosion; here in Mexico, Chinese students told us that "at last people can speak their minds"; and now, two years later, reporters and visitors speak of "the absence of tension which characterized the period 1975-1976," as if a great weight had been lifted. Bettelheim's explanation that the Four's admitted isolation was due merely to certain sectarian errors which aroused "the discontent of the intellectuals" and "a certain lassitude among the masses" (p. 99)* is very weak. The "discontent" towards the Four was hardly confined to intellectuals, and the masses were anything but "indifferent" to their fall.

The Chinese masses are not those of France or America or Russia. They have just completed a decade of a Cultural Revolution which, as Professor Bettelheim wrote in an earlier book, "enabled the workers to take an important step toward the appropriation of proletarian ideology and created the conditions for the achievement of unified mass action."[1]** Furthermore, the Chinese masses are *armed*: 60 million, or 15 percent of the adult population, belong to the militia and have arms in their houses which they know how to use. Their children receive military training from elementary school onward. When the revisionists seized power in the Soviet Union in the later 1950s and disseminated a revisionist line, as Bettelheim claims the CCP is doing now, the Russian masses—though disarmed politically, ideologically, and militarily—managed to express their discontent, at least partially, in a series of demonstrations, strikes, and slowdowns which led to a notable decline in labor productivity between 1958 and 1965. Why have the Chinese masses

* All page references are to *China Since Mao*.
** Notes will be found at the end of the article.

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been so "weary and indifferent" in the face of a revisionist counter-revolution, and why has labor productivity taken a dramatic leap forward since the "coup"?

It is disappointing and disconcerting to find, in Bettelheim's book-length exposition, no treatment of the facts mentioned above; no treatment of the Four's clear attempt to prepare public opinion for their seizure of power (e.g., the supposed secret "principles laid down"); no treatment of their efforts to enlist support for it (the attempt to convince provincial and municipal officials to bypass the Central Committee of the CCP, to report directly to them and to receive their instructions). He does not explain their request for letters of allegiance imploring Chiang Ching to take power, the organization of a proposed military coup (distribution of arms in Shanghai, or the attempt to transfer the Thirty-eighth Corps of the People's Liberation Army) and so on. With such scanty, partial, and unreliable evidence as he supplies, his allegation of a coup by Hua Kuo-feng rests only on his own subjective interpretation and completely fails to answer the question "Whose coup?"[2]

Factory Discipline

Bettelheim quotes a Radio Peking statement to the effect that "with the development of production and technology, rules and regulations must become stricter and people must follow them precisely." He does not find this to be "a prospect to inspire enthusiasm." (p. 46)

But this depends on one's point of view. An individual railway worker might find getting to work at 6 A.M. an uninspiring prospect. But from the point of view of society this is hardly an "oppressive" regulation. If the trains habitually run late—as they did in accordance with the Four's attitude of "better a socialist train behind schedule than a capitalist train on time"—the day is spoiled for the passengers, leisure time is squandered for those who await them at the station, the delivery of materials to the factories becomes irregular, production is disrupted, the people's well-being and the country's economic development suffer. Should an accident occur because a worker arrived late, this would hardly "inspire enthusiasm" in the passengers or in his fellow-workers. Certainly we must approach the question of

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discipline, like everything else, from the class point of view of which Bettelheim speaks so much, but we must distinguish between a strict discipline and an exploitative discipline. Strict discipline under socialism does not exploit the people: it serves their interests.

Yet lest we fall into the "revolutionary" infantilism of the "left" Bolsheviks and of the Four (for whom "bourgeois physics" and "socialist trains" are highly "inspiring" and significant), we must recognize that class is not the only dimension of social reality. In an article cited by Bettelheim (p. 45) as exemplifying the CCP's desertion of the class viewpoint, it is pointed out that "while some rules and regulations reflect the relationships among people engaged in production and have a class character, others reflect relations between the producers and nature and represent the laws of production technology and therefore have no class characteristics."[3]

Bettelheim cites (p. 45) a famous passage from Engels which "is brought in for support" by the present leadership in China:

> If man, by dint of his knowledge and inventive genius, has subdued the forces of nature, the latter avenge themselves upon him by subjecting him, insofar as he employs them, to a veritable despotism independent of all social organization. Wanting to abolish authority in large-scale industry is tantamount to wanting to abolish industry itself, to destroy the power loom in order to return to the spinning wheel.[4]

In Bettelheim's view, Engels, not to mention the CCP, here "loses sight of everything Marx wrote about the *socially determined character of 'factory despotism.'*"

Bettelheim's list of apostates is incomplete. Lenin, in "Immediate Tasks of the Soviet Government," repeatedly referred to the fact that

> large-scale machine industry—which is precisely the material source, the productive source, the foundation of socialism—calls for absolute and strict *unity of will*, which directs the joint labors of hundreds and tens of thousands of people. The technical, economic and historical necessity of this is obvious, and all those who have thought about socialism have always regarded it as one of the conditions of socialism. But how can strict unity of will be ensured? By thousands subordinating their will to the will of one.

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And Mao Tse-tung, whose ideas are supposedly being abandoned by the current leadership, wrote: "When a communist society is attained, labor discipline is bound to be even more strict than it is presently because the high level of automation will require ever higher exactitude of people's labor and conduct."[5]

Indeed Bettelheim's list should begin with Marx himself, for in "everything Marx wrote" on the subject he was careful to designate the "double nature" of the "labor of supervision and management"[6] and to distinguish between two aspects of the directing authority in the factory: that which "all combined labor on a large scale requires," and the "special characteristics" this authority assumes when "the work of directing, superintending and adjusting becomes one of the functions of capital."[7]

Engels, in illustrating his point (the *technical* requirements of authority "independent of all social organization"), gives the example of a cotton-spinning mill run by steam. He points to the need for the workers, in the different stages of the interconnected production process, to "begin and finish their work at the hours fixed by the authority of the steam which cares nothing for individual autonomy." In this way, as modern industry develops it tends "more and more to replace isolated action by combined action of individuals" and to harness the forces of nature on the condition of obeying their laws."[8]

In making the distinction between rules which refer to relations between human beings and those which refer to relations between human beings and nature, both Engels and the CCP, far from "losing sight of everything Marx wrote," are specifically following the guidelines set forth in the chapter on "Machinery and Modern Industry" in Volume One of *Capital*. There Marx shows the "two-fold substance" of the capitalist's control of the production process, namely, the aim of producing surplus value and also that of "social regulation of the labor-process which becomes requisite in cooperation on a grand scale." This requirement is made all the more necessary by the employment of machinery, because industrialization involves "the conscious application of sciences instead of the rule of thumb," and the incorporation of "both stupendous physical

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forces and the natural sciences." This means that the employment of machinery is "regulated by strictly scientific laws."

It is obvious that insofar as modern industry involves "cooperation on a large scale and regulation by strictly scientific laws" (Engels), the production process must be more precise and regular. Natural processes will not wait for the worker who arrives late. Though socialist revolution eliminates the "capitalistic caricature" of rules and regulations, it cannot abolish the need for discipline which advances with the increasing automation and socialization of production.

The question of factory discipline has been a focal point of struggle in China for many years. One of the tasks of the Cultural Revolution, according to Mao's instruction, was "the reform of irrational rules and regulations" left over from both capitalism and the Soviet influence. Lin Piao and the Four took this instruction to mean the *elimination* of all rules and regulations, and they launched a super-revolutionary campaign against them. Opposing this, Chou En-lai recommended in his report to the Tenth Party Congress (1973) that "rational rules and regulations must be improved." It was then that Chang Chun-chiao chose to advance the slogan that factories should be set up "without rules and regulations."

It is this slogan, this line, and not the perception of the technical necessity for stricter discipline as production advances, which "loses sight" of Marxism. The Marxist view is that freedom will be achieved not by ignoring or skipping over objective necessities but by recognizing them: "Freedom does not consist in the dream of independence of natural laws, but in the knowledge of these laws."[9] By dint of increasing discipline and coordination socialism develops the productive forces; the work day can thus be reduced, the capitalist division of labor overcome, and human beings made increasingly free to dispose over their time. This is one of the ways in which, as Mao wrote, freedom is "correlative" with discipline: "They are two opposites of a single entity."[10]

To illustrate the "socially determined character of factory discipline" Bettelheim cites Marx (p. 117): "This discipline will become superfluous under a social system in which the laborers work for their own account."[11] But Marx is writing specifically

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about the need for economy in the employment of the means of production. Such discipline will not become superfluous in the sense that the worker will thereupon disregard, waste, and destroy the means of production; it becomes superfluous as it becomes internalized. Marx is referring to the higher phase of communism, when, to borrow Lenin's words, "people have become so accustomed to observing the fundamental rules of social life and when their labor is so productive that they will voluntarily work *according to their ability*."[12] Such *voluntary* discipline is not unknown in the socialist period nor even in the capitalist period. It is the discipline required of the class-conscious worker upon entrance into the Party. But until society approaches communism, this kind of discipline mainly characterizes the vanguard of the class. "Until the 'higher' phase of communism arrives, the Socialists demand the *strictest* control, by society *and by the state,* of the amount of labor and the amount of consumption."[13]

Between the forced discipline of capitalism and the voluntary (though increasingly strict) discipline of communism, lies the discipline, the rational rules and regulations, of the socialist period. Like everything in the socialist period, they are transitional: rungs on the ladder to a higher social order.

Cadre and Technicians

There are similar errors in Bettelheim's treatment of the role of cadre and technicians in a socialist society. It is a denial of the class struggle, he says, to take the position that the basic interests of workers, cadre, and technicians are identical under socialism, that relations are comradely, and that the contradictions between their mental and manual work are non-antagonistic. (p. 71) This is, of course, related to his view that insofar as cadre and technicians activate the means of production "on the basis of *capitalist production relations* (in particular the capitalist division of labor)" they come to comprise a "state bourgeoisie."[14] Since the capitalist division of labor cannot be abolished on the morrow of the seizure of power and persists as a "defect" throughout the whole historical epoch of socialism, cadre and technicians tend spontaneously to form a "state bourgeoisie." This position coincides with the Four's notion

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that a "bourgeois class" exists within the Party, and that veteran cadre "inevitably" become capitalist roaders.

In the first place, it is necessary to distinguish Party cadre from non-Party technicians. In a pamphlet widely distributed during the Cultural Revolution, Mao states that "the cadre of our Party and state are ordinary workers and not overlords sitting on the backs of the people."[15] The resolution of the cadre's contradiction with the masses is the practice of the mass line. The party is the advanced detachment of the working class. It must lead the struggles of the people and is thus its vanguard, but this leadership depends on the preservation of the closest ties between this vanguard and the rest of the masses. Historical experience demonstrates that this dialectical relationship will not be maintained spontaneously, that communist parties can and do degenerate into bourgeois parties. But this is not due to the workings of some "irrevocable law" (as alleged by the Gang of Four) nor to the class nature of the party cadre. It is due to the political, ideological, and economic pressure of the bourgeoisie on these cadre and parties. The origin of the capitalist roaders inside the party is not the party itself but the class struggle in the society at large, which is reflected inside the party: "Political parties emanate from classes, but never the other way round."[16] Mao Tse-tung's statement that the bourgeoisie "is right in the Communist Party" is not a vindication of the petty bourgeois anarchist thesis that "power corrupts." To argue, as Chiang Ching did, that veteran cadres "inevitably" become capitalist roaders is a distortion of Mao's view that in socialism the Party becomes the chief arena of class struggle.

The case of the technicians is more complex. Because of the transitional nature of the socialist system (in which the proletariat struggles to acquire the knowledge systematically denied it under capitalism) and the distributive principle of "to each according to his work," the technicians, as specially qualified working people, receive certain privileges: higher remuneration for their labor and the privilege of working mainly with brain, not body. This means that this stratum is particularly susceptible to bourgeois ideas. However this vulnerability of the technicians should be carefully distinguished from the

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idea that they form a bourgeois *class*. Technicians, specialists, and cadre directing production are historically part of the working class, as Marx's analysis shows:

> The technical subordination of the workman to the uniform motion of the instruments of labor . . . give[s] rise to a barrack discipline . . . *dividing the working people into operatives and overlookers,* into private soldiers and sergeants of an industrial army.[17]

The development of capitalism offers privileges to certain technicians, specialists, and supervisors (even as it eliminates or proletarianizes the occupations of others) and lends them a "contradictory class location." Under socialism the "barrack" aspect of discipline is suppressed, without suppressing discipline itself, and the working people are gradually reintegrated, as the division between administration and execution, mental and manual labor, is overcome. However, until that time the contradictions between these two strata of the "working people" are "non-antagonistic contradictions," and socialism "must at all costs achieve a situation in which specialists—as a special social stratum, which will persist until we have reached the highest state of development of communist society—can enjoy better conditions of life under socialism than . . . under capitalism . . ., comradely collaboration with the workers and peasants, and . . . satisfaction in their work, realizing that it is socially useful and independent of the sordid interests of the capitalist class."[18]

In a paper presented several years ago[19] Bettelheim maintained that technicians "do not constitute a social class." He pointed out that (1) it is "the relations to the means of production which constitute . . . the decisive factor in determining class relations," not level of income; (2) the technicians' "relations to the means of production do not distinguish them fundamentally from other categories of workers"; so that (3) "in the last instance, the social class to which they belong is the proletariat"; and (4) "the definitive reason why technicians do not constitute a social class . . . is the fact that they form merely a professional category whose functions would go unmodified by a transformation of the present economic and social order." Thus the mere existence of a division of labor between tasks of administration and performance "is not enough to signify the division of society in classes."

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This line of reasoning, despite its apparent contradiction with Bettelheim's current views, still seems valid to me. Furthermore it is consistent with Marx's distinction between the technical function of technicians and supervisors and their social function, which depends on the class that owns the means of production. In other words, under capitalism the directing authority in the factory represents and enforces the interests of capital; but when the working class becomes the ruling class the role of supervision becomes a function not of capital, but of the socialist appropriation of the means of production. To argue that the undeniable persistence of the capitalist division of labor thereby converts technicians and cadre into workers' antagonists is to liquidate the question of the ownership of the means of production and the differing class essences of capitalism and socialism.

(November 1978)

NOTES

1. Charles Bettelheim, *Cultural Revolution and Industrial Organization in China* (Monthly Review Press, 1974), p. 97.
2. I have used the following sources, which readers may wish to consult for a fuller treatment of these events: Chi Hsin, *The Case of the Gang of Four* (Hong Kong: Cosmos Books, 1977); *Red Papers* VIII (Revolutionary Workers Headquarters); Ross Terrill, *The Future of China* (New York: Delta, 1978); Roland Berger, "China's Economy—One Year After," *Eastern Horizon* (January 1978); E. F. Hill, "Class Struggle Within the Communist Parties" (pamphlet); and various issues of *Peking Review, Issues and Studies, China Quarterly,* and *Far Eastern Economic Review* (1976-1978).
3. Wang Che, "'The Gang of Four' Pushed Anarchism," *Peking Review* 14 (April 1, 1977), p. 25.
4. Frederick Engels, "On Authority," in Karl Marx, Frederick Engels, and V. I. Lenin, *Anarchism and Anarcho-Syndicalism* (Moscow: Progress Publishers, 1972), p. 102.
5. Mao Tse-tung, *A Critique of Soviet Economics* (Monthly Review Press, 1978), p. 100.
6. Karl Marx, *Capital*, vol. 3 (Moscow: Foreign Languages Publishing House, 1962), p. 376.
7. *Ibid.*, vol. 1, p. 313.
8. Engels, "On Authority."
9. Engels, *Anti-Dühring* (New York: International Publishers, 1966), p. 125.
10. Mao Tse-tung, "On the Correct Handling of Contradictions," *Selected Works*, vol. 5 (Peking: People's Publishing House, 1977), p. 389.

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11. Karl Marx, *Capital,* vol. 3 (Moscow: Foreign Languages Publishing House, 1959), p. 83.
12. V. I. Lenin, *State and Revolution, Selected Works*, vol. 7 (New York: International Publishers, n.d.), p. 88.
13. *Ibid.*, p. 89.
14. Charles Bettelheim, *Class Struggles in the USSR: First Period, 1917-1923* (Monthly Review Press, 1977), p. 314.
15. Mao Tse-tung, "On Kruschov's Phoney Communism."
16. Hsiang Chun, "A Complete Reversal of the Relations Between Ourselves and the Enemy," *Peking Review* 14 (April 1, 1977), p. 8.
17. Karl Marx, *Capital,* vol. 1 (Moscow: Progress Publishers, n.d.), p. 399. (Emphasis added.)
18. V. I. Lenin, "The Role and Functions of the Trade Unions under the NEP," section 10.
19. Published in French in the collection *Industrialisation et Technocratie,* edited by George Gurvich. I have translated from a Spanish version, "¿Son los técnicos una nueva clase social?" in *Economía Política* 3-4 (1973-1974).

III. BY ARTHUR MacEWAN

Along with many other MONTHLY REVIEW readers I have been concerned about recent events in China, and I was consequently eager to read Charles Bettelheim's "The Great Leap Backward." But the essay is rather disappointing. I find his approach seriously detrimental to the development of a Marxist analysis of the revolutionary transition to socialism. Indeed, I find the approach so seriously flawed that I am forced to heavily discount Bettelheim's conclusions, even though my disposition was to be (and remains) highly critical of the new Chinese regime.

Bettelheim's error is, I believe, revealed at the beginning of his essay when he states that it is the existence of a certain political line in China which has led him to his conclusions. Throughout the essay, Bettelheim focuses on criticizing the line

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now dominant in China rather than on analyzing social practice. In fact, he infers the nature of practice from the line.

I can think of no social situation where this approach to analysis is a good one. But in China (and probably in any transitional society) it is especially misleading because variation in political line does not correspond closely to variations in practice.

During the Cultural Revolution a view of China became popular which held that all work was organized through moral or collective incentives and, furthermore, that before the Cultural Revolution practice had been very different. It was easy to infer such a view of China if one confined the examination of China primarily to the Maoist line which was then dominant. I believe that Bettelheim's book *Cultural Revolution and Industrial Organization in China* (Monthly Review Press, 1974), in spite of its general usefulness, helped such a view of China develop.

In reality, however, the actual changes brought about by the Cultural Revolution were not nearly so great. On the one hand, during and after the Cultural Revolution work motivation in China still depended heavily on complex sets of material, individual incentives. On the other hand, prior to the Cultural Revolution moral incentives and collective forms of work organization had been widely used.

My point here is not that the Cultural Revolution brought no major positive changes. It is just that the changes were not nearly so great as those of us who supported the Cultural Revolution from afar were apt to claim, when we based our analysis on the line of the dominant leaders. Today, the line has shifted, but the experience of the earlier period gives us every reason to believe—contrary to Bettelheim—that practice has not changed nearly so much.

The dominant political line in China at any moment is, to be sure, an important part of reality. The line—or the official ideology—can set the context in which other events take place and can play a major role in shaping the direction in which social organization moves. But ideology very often has an indirect, complex and changing relation to the rest of reality. Furthermore, in China it seems that statements of the line are often gross overstatements; through the line, policy is enunciated

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in a crude and exaggerated form. This was true in the Maoist era, and I do not doubt that it is true now. Yet Bettelheim claims that on the basis of the line many things about the rest of reality are "obvious." Such an argument does not hold water.

There is simply no substitute for an examination of material reality. The fact that it is difficult to learn about Chinese reality from abroad (and perhaps from within China as well) may be a good reason for us to be cautious in our judgments. But it is no excuse for issuing hasty condemnations—or, for that matter, hasty adulations—on the basis of our reactions to the official line.

Closely related to Bettelheim's almost exclusive focus on line is his position that it is the nature of class struggle *rather than* the nature of the productive forces which is the determining factor in social change and progress. Yet it seems to me that separating one's analysis of class struggle from analysis of the state of productive forces is a rather serious error. In China and elsewhere, there is a dialectic interaction between progress in the development of the productive forces and the nature of class struggle. For example, large-scale production units would seem to be a necessary condition for the ascendancy of a self-conscious proletariat, while at the same time the political success of the proletariat would seem a necessary condition for the effective operation of large-scale units during a transitional period.

Bettelheim's position is an understandable—though not excusable—response to the crude determinism that has developed in some quarters under the name of Marxism. And it would seem that to one degree or another such determinism, or economism, exists within the current Chinese regime. But if the Chinese leaders are guilty of economism, Bettelheim's response of a vulgar politicism (if I may) is hardly preferable.

Moreover, Bettelheim's examination of class struggle in China is confined in large part to the conflicts and alterations of position at the highest level of the regime. He asserts, of course, that what happens at the top reflects a much more widespread social conflict. Yet, without more direct, concrete information on that widespread conflict, it is difficult—if not impossible—to interpret accurately the meaning of events at the top.

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Bettelheim does raise points which are rather important to an understanding of the current Chinese situation—for example, his statements about repression, privileges of the leadership, and the actual state of the Chinese economy. On the first two of these points, however, his evidence is rather flimsy. And on the matter of the economy, about which we need to know a great deal more if we are to judge the situation seriously, his statements are all too brief.

It is particularly disappointing that Bettelheim has been able to offer little more than anecdotes concerning social and economic inequality. Does he wish us to infer that there has been a statistically significant increase of inequality in recent years? And in talking about the inequalities which have existed for at least several years, Bettelheim seems to ignore the context: Aren't we talking about China, a nation which has undergone a redistribution of income which probably has no historic parallel? I cannot help thinking that in making his judgments Bettelheim has some unspoken and rather idealistic standard in mind. To place existing inequalities in historical perspective may not justify them, but it is absolutely essential if our goal is to understand them.

I believe that in some ways there is no issue more important than this one of equality. Those who have followed Bettelheim's work will recall that in his debate with Paul Sweezy (in *On the Transition to Socialism* [Monthly Review Press, 1971]) he attempts to answer Sweezy's question as to how we are to determine which class actually holds power in a postrevolutionary situation. Bettelheim's answer boils down to the statement that we can know that the proletariat is in power if leadership is in the hands of a party with a proletarian line. His answer seems to assume there is an immutable proletarian line in the same way that seventeenth- and eighteenth-century idealist philosophers assumed the existence of natural laws on which all reasonable people would agree. In my view, the answer which Sweezy ultimately gave to the same question is far more satisfactory. He argued that the key is equality; more than any other objective variable, the long-run changes in the distribution of material welfare show us who holds power. If the proletariat holds power, then, aside from short-run varia-

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tions or adjustments, it is inconceivable that the social surplus will be given to any elite. Conversely, if an elite holds power, it is not going to give the goodies to the working class.

The trouble with the approach which Sweezy suggests is that it requires us to wait before rendering judgments. For it takes time to gain information on the concrete situation and to ascertain the continuing trends in the distribution of income and other important objective variables. Apparently Bettelheim is not willing to wait.

Moreover, if we are to judge him by his writings on China, Bettelheim seems to believe there are only two judgments which the international left can make toward transitional societies—adulation or condemnation. In this regard, I believe his work is symptomatic of a long-standing weakness of the left, namely, our inability to criticize socialist regimes without condemning them and our inability to support them without becoming sycophantic apologists.

Perhaps we are now entering into a phase of disillusionment with China. If so, let us blame ourselves and not the Chinese. One must be illusioned before being disillusioned. So many of us embraced an unrealistic and superficial view of China a few years ago (e.g., Bettelheim in his *Cultural Revolution and Industrial Organization in China*) that we set ourselves up for disappointment (e.g., Bettelheim in *The Great Leap Backward*). There must be a better way!

IV. BY JOAN ROBINSON

After his famous letter of resignation from the French Friendship Society, Charles Bettelheim was invited to visit China, but he now declares that it was unnecessary for him to

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Joan Robinson is professor emeritus of economics at Cambridge University. Her comments first appeared in *China Now* (September-October 1978) and are reproduced here by permission.

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accept as he knows what China's new policies are from published statements and from broadcasts and the press. This seems to me to be a serious mistake; the content and style of Chinese internal propaganda is very misleading when read from a Western point of view. I sympathize to a certain extent with Bettelheim's initial reaction. I think we all had a lot of wind in our heads; it was hard to believe that, in a socialist country, policy could have been the sport of personal ambition, and it was deflating to be told that the Cultural Revolution is over and that the new aim of policy is modernization. We know only too well what it is like to be modern. But it is foolish to judge policy merely from slogans. There is now more freedom and frankness of discussion, both amongst Chinese and between Chinese and foreigners, than over the last twenty-five years, but there is still a hangover from the past in official propaganda which remains heavily monolithic—101 percent one way or the other—and therefore unenlightening.

Political Economy

An example of Bettelheim's misreading of slogans concerns the doctrine "to each according to his work." Because the ultra-left was preaching egalitarianism, the official line is to stress that "he who works more should earn more" is a socialist principle. This has given him the impression that a new system of "material incentives" has been introduced into Chinese industry.*

In the work-point system in the communes, which organize the employment of three quarters of the national labor force, the principle of reward for work was established from the first. This is not emphasized in the current propaganda, which merely recommends the primitive "work-quota" system, though the most advanced communes have long since evolved more flexible and effective methods, in the course of learning from Tachai, of linking material rewards to the quality as well as quantity of effort put forth.

The slogan, "He who works more should earn more," is addressed to industry, and it is repeated, without analysis or qualification, continually, bang, bang, bang. Yet during the

* See *China Since Mao*, pp. 51-52.

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period of the study of the dictatorship of the proletariat (1974-1975) we were told that Chairman Mao had said that the eight-grade wage system in industry had been taken over from the Soviets and that it was an element of "bourgeois right."

To Western ears the slogan "To each according to his work," suggests monetary incentives, piece rates, or even the type of "economic reform" that is proving disastrous in Hungary; actually, no such changes are on foot. It is obvious that a wage system to which a whole generation of workers have become accustomed cannot readily be changed. This is mere commonsense, though propagandists like to dress it up in theoretical principle. When there was a rise of wages in October 1977, it was made by raising lower-paid workers up one grade, while keeping the top grades constant. It admittedly required some "political education" of those who got no raise. This had nothing to do with "He who works more should get more." It can be plausibly explained as the simplest way available of redressing potential grievances, assisting return to regular work after the disruption and anarchy caused by the ultra-left, and making the most socially beneficial use of the increase in output of consumer goods in the upsurge of production that followed the restoration of order in the factories.

The main emphasis in the slogan of payment according to work is to justify a new system of bonuses. An elaborate system of bonuses and fines, copied from the Soviets, was swept away in the Cultural Revolution. To prevent this from causing an overall loss of income, each enterprise was given an allowance in excess of its normal wage bill equal to the sum of former bonuses; this allowance, which is still being paid, is at the disposal of the individual enterprise. Some distribute it as a flat-rate addition to wages; some as a proportional addition to earnings at a higher percentage rate on wages than on cadres' incomes; some distribute it to the lower-paid workers only.

Apart from this, a new system of bonuses is being tentatively introduced on an experimental basis. A few enterprises in each line have been chosen to try it out. Their experiences are to be discussed in due course and the system generalized if it is considered successful. The general idea is that when an enter-

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prise has fulfilled its plan, in respect to quantity, quality, variety of output, and economy in costs and use of materials, it is to be allowed an addition of 10 percent on its total wage bill. (When the plan has been underfulfilled the allowance is less and is to be used for bonuses to only a few outstanding workers.) The bonus money is then distributed to workshops and work groups, and each decides to which individuals the bonuses should be granted. The sums involved range from 2 to 8 yuan a month. The workers in each group propose the awards, subject to approval by the cadres. In one of the experimental enterprises we were told that generally 80 percent of the workers get something each month.

This clearly is nothing like a changeover to an incentive wage system. The bonuses are evidently to be token awards to restore and reinforce the discipline of criticism and praise among peers which broke down wherever ultra-left influences prevailed.

We were given an example of its beneficial effect. Wuhan used to be proud of the high reputation of its bus service; in the period of anarchy it fell into chaos and the conductors were often literally fighting with the passengers. They have been chosen to experiment with bonuses; now the buses are punctual and the conductors polite. Such a transformation cannot be attributed to the incentive of earning the price of a couple of packets of cigarettes. It must be due to the moral effect of having to examine what type of conduct deserves an award.

The bonus system is evidently intended to reinforce, not to undermine, the principle of "politics in command." It will have to be generalized with circumspection. An all-round increase of 10 percent in spending money has to be met by a corresponding increase in availability of goods to buy.

Another point which distresses Bettelheim is the renewed emphasis on the requirement that enterprises should earn profits. The wage fund and bonus funds are given to an enterprise, and the prices of all inputs and outputs are fixed. Profit—the excess of the annual value of output over costs—is mainly a reflection of economical and efficient use of materials (including sources

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of energy). Why should this be regarded as "taking the capitalist road"? If the purpose of production is "to serve the people," surely the more efficiently it is carried out the better its purpose is served.

Profits are handed over to the state (that is, to the next higher layer in the administrative hierarchy) not enjoyed by the particular enterprise to which they accrue. Investment funds are allocated under the national plan, "taking the whole country as a chess board." Bettelheim does not explain why he believes that this system promotes regional inequality and checks the development of small-scale industry. He seems to react to the word *profits* without considering what it means in the Chinese context.

Bettelheim is also very much alarmed at the removal of revolutionary committees from industrial enterprises. The institution of revolutionary committees arose spontaneously and haphazardly during the Cultural Revolution. At first, representation of the People's Liberation Army was an important feature of the system, which faded out gradually. In the new constitution the political structure has been rationalized. Revolutionary committees form the "basic organ of state power." They are installed in a hierarchy at communes, counties, cities (not at prefectures), and provinces, as well as in the autonomous units comprising national minorities. At each level there is a People's Congress consisting of representatives of various groups in society at the respective levels, selected for a two-year term, which is responsible for electing the corresponding revolutionary committee and discussing its affairs.

On paper, this is certainly the most democratic constitution in the world, but Chinese communists are very well aware that democracy emerges through practice and cannot be guaranteed by a set of rules.

On this basis it would not be appropriate to include industrial and commercial enterprises in the hierarchy of revolutionary committees. In an enterprise, policy emanates from the Party committee and has to be carried out by the whole body of workers, under the leadership, as the phrase is, of the executive management. As before, the plan of production is formed

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"from the bottom up and from the top down" in consultation with the ministry and the local authority concerned. Experience varies widely from one enterprise to another. In some the change from chairman of the revolutionary committee to director is only a change of name. In others, the imposition of a second layer of talk and argument between the Party committee and the executive reduced efficiency without guaranteeing democracy.

Bettelheim assumes that the drive for increased production means tighter discipline, more rigid rules, and less consultation between workers and cadres. But if this destroys morale, it will not promote production. The Anshan Constitution remains the ideal, though presumably there are differences between one enterprise and another as to how nearly the ideal is realized.

In the first phase of the Cultural Revolution, in many enterprises, the workers fell into factional strife and later, wherever the Gang was in the ascendancy, young workers, to the disgust of the veterans, took advantage of the ultra-left preaching to create anarchy and to draw their wages without doing a stroke of work. A revolutionary working class cannot be created between one year and the next just by drafting the children of peasants into industry. Considering what the reaction would have been in France, or in Poland, to such an orgy of indiscipline, it is not very convincing to describe the Chinese manner of restoring morale as heading for authoritarianism.

Bettelheim seems to have absorbed the ultra-left doctrine that to be concerned with productivity is inimical to socialism. This view was emphatically disowned by the public at large when the influence of the Gang of Four was causing shortages of supplies.

Certainly there will be serious problems in introducing "modern," that is, Western, technology into Chinese industry. Western technology, developed under capitalism, has a strong bias towards saving "labor costs," that is, reducing the ratio of wages to the value of output, reducing requirements for skill, and preserving a sharp distinction between technicians and mere shop-floor operators. How will it be possible to take advantage of the most up-to-date technology without imposing its anti-worker bias? Can the necessary discipline be combined with a democratic style of management? And is the snob value of

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being "advanced" going to undermine the economic common sense of Chinese technicians themselves?

Admittedly, these are difficult questions, but neither as producers nor as consumers do the Chinese leadership and the Chinese workers want to evade them merely by Bettelheim's policy of going slow.

Education

Another cause of apprehension is the tightening up of educational standards and the institution of a single uniform national examination for university entrance. The hatred of the intellectuals spread by the followers of the Gang has knocked a gap through the educational structure. A whole generation of students has left college without learning anything; scientists have been bitterly persecuted, and a number of research institutes destroyed. To repair the damage, a supply of able students must be brought up as far as possible to learn from the survivors of the older generation before it is too late.

The objection is often raised that recruiting by examination will put peasants' children at a disadvantage, but the object of the exercise is not to give fair shares to all classes but to find a means to pick out the individuals who will best be able to contribute to development. No doubt much natural talent is now wasted for lack of opportunity to study; the remedy must be to improve the educational level in the countryside, which cannot be done overnight. Clearly an examination in which more than five million candidates compete for 250,000 places is likely to be a blunt instrument for selection, but at present it is generally regarded as a great improvement on what went before, first of all because it closes the back door through which students were wangled into places by influence, irrespective of merit, and secondly because it relieves the university professors of the task of trying to teach pupils of all levels, upwards from primary school dropouts, in the same class.

To my mind, the main drawback of examinations is to push back onto the schools the tendency to cramming, which is in any case all too prevalent in the Confucian tradition that lingers in Chinese pedagogy. When I raised the point in discussion I found that older professors who had been educated

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abroad before Liberation knew what I meant, while younger men were inclined to brush it aside. But unless they are well aware of the danger they will not be able to combat it.

Another obvious problem is the re-creation of an intellectual elite, to which Chinese tradition gives ample scope. Here again there is a stock answer which I found disconcertingly oversimplified. There is no problem, we were told. It is found that 97 percent of the successful candidates came from worker, peasant, and cadre families. There were only 3 percent from the old exploiting classes. But it is not ex-landlords' children that are the problem, it is the natural tendency of education to provide the basis for the promotion of a new class.

This tendency is inherent in the very nature of intellectual life. To do any useful work, scientists and scholars need some privileges in the sense of adequate facilities and they need security of tenure so that they are not always nervously restricting themselves to saying the approved thing. They are bound to form a distinct group in society who understand each other and have tastes in common. Such a group tends to perpetuate itself through the educational system, not necessarily by smuggling their children in through the back door, but by pushing them through the front door by imbuing them with ambition and helping them in their studies.

The remedy lies in bringing up the intellectuals in the spirit of Mao's teaching to serve the people, to combat egoism and eschew self-interest. Our own intellectual life is so much imbued with competitive individualism that, for us, this seems an impossible ideal, but perhaps in China it is worthwhile to take the risk.

Meanwhile the most urgent need is to get the teachers and scientists to work again. The Chinese Communist Party seems to have learned that bullying intellectuals destroys their utility, and now the immediate need is to restore their self-confidence.

I think that the heavy style of propaganda that I complained of and the use of literal translations that sound ridiculous in English, such as: "Take grain as the key link," is due to the timidity of writers anxious to avoid "political mistakes." Here I am not saying anything behind the backs of our Chinese friends, for I have always taken every opportunity to

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make these points and, in 1978, I found more ready listeners than ever before.

Politics

The history of the decade, 1966-1976, has been a profound shock. How could it happen that, under cover of Mao Tse-tung Thought, a medieval drama of ambition and treachery could play itself out? How can such a thing be prevented for the future? Only by relying upon the political consciousness of the people. The rise and fall of Lin Piao and of Chiang Ching has given them a sharp lesson. They are beginning to realize that their main danger is not so much the temptations of the capitalist road as their ingrained Confucian respect for hierarchy. The Cultural Revolution was a violent effort to break out of it which ran off the rails. For the time being, the people have won. The leadership has embarked upon a hitherto unprecedented course of combining an ambitious plan for accumulation and growth with open discussion and freedom of thought.

As Mao always taught, when one contradiction is solved, others arise. Bettelheim seems to think that he alone knows what the new contradictions will be. Let us hope that, this time, it will take less than ten years to see why he is wrong.

V. BY MICHAEL YATES

Recently I helped to teach a course entitled "Comparative Socialist Economies," which focused on China, Cuba, and Tanzania. Our students were most interested in China, especially in the great changes brought about by the Cultural Revolution. It was a revelation to them that ordinary people could actually take control over their own lives and even achieve some success in breaking down the seemingly inevitable detailed division of labor. They were impressed by the fact that the Chinese were

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moving toward a more humane way of life without allowing their economy to crumble, that enormous strides in production were being made simultaneously with radical changes in social relationships.

However, the class was also quick to point out what to it were contradictions between the Marxist theory of socialist development and some of the practices of China and other socialist states. Why, for example, could the Soviet Union not feed its people? Why were dissidents so ruthlessly suppressed in many socialist countries? Why was there not more freedom of the press and of expression? Why didn't the people have more say in choosing their leaders? Why weren't there political parties?

Together, we tried to confront and explain these "contradictions," relying heavily upon the writings of Mao as well as upon works by contemporary commentators such as Paul Sweezy and Charles Bettelheim. We explored the many problems of the transition to socialism: the need to transform the state apparatus and to gain control of the "commanding heights" of the economy; the continued existence of classes during the transition period; the difficulties in revolutionizing the superstructure; etc. We used Bettelheim's analysis of the Soviet Union to illustrate what happens when socialism is equated with state ownership and "production" is in command. We studied Mao's "On New Democracy" and "On the Correct Handling of Contradictions Among the People" and learned the difference between bourgeois and socialist conceptions of freedom and democracy. Here we discovered the importance of distinguishing contradictions between the people and their enemies from contradictions among the people.

By the end of the course, most of us had been able to scrap at least some of our bourgeois prejudices, view these countries on their own terms, and appreciate the tremendous strides which they had made and were making toward human liberation. At the same time, we now knew that the Soviet Union was not on the path to communism and that the classless society was still a long way off even in China and Cuba, although they, at least, *seemed* to be headed in the right direction. I say "seemed" because there were some things about China and Cuba which were not easily explained, policies which appeared

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wrong or at best mistaken and which were unlikely to help them to achieve communism.

For me, the main problem was China's (and to a lesser extent Cuba's) recent foreign policy. I could not reconcile China's foreign policy with domestic developments. Was there not a serious contradiction between the aims of the Cultural Revolution and Chinese recognition of the Chilean "gorillas" and *de facto* support of the reactionary forces in Angola and Zaire? How could China, such a powerful critic of Soviet revisionism, behave so much like the Soviet Union, discontinuing aid to Vietnam and Albania? Why was China so intent on opening up trade with the West? Either I was missing something and incorrectly interpreting China's foreign policy, or this policy was indeed incorrect and something had happened to social forces within China to give rise to it. Just what could have happened and why, I did not know.

Charles Bettelheim's essay, "The Great Leap Backward," has helped me greatly to answer my questions. According to Bettelheim, China's new leaders have repudiated the Cultural Revolution and put China once again on the "capitalist road." Instead of critically evaluating the Cultural Revolution, they have stressed only its negative aspects, and then used these as pretexts for putting production in command, emphasizing capital-intensive technology, returning to elitism in education, and urging workers to be more disciplined and productive. At the same time, they have implied that, because of the Cultural Revolution, China is now socialist and, therefore, class struggle is no longer necessary. Instead, all of the people's energies must be devoted to rapid development of the forces of production.

If Bettelheim's analysis is on the right track, the seeming divergence betwen China's domestic and foreign policies disappears. Rapid technological developments geared toward heavy industry require that China trade with the advanced capitalist countries which are the sources of this technology. But to finance this trade under present circumstances means that peasants and workers must increase their "productivity" by working harder and disengaging from class struggle. In other words, if China must trade with the major capitalist powers, then it must also participate in the unequal social relationships which are the

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basis of international trade. China, like all poor countries which trade with the West, will be forced to do so on the West's terms and, like all such countries, will "make up the difference" by squeezing surplus labor out of its peasants and workers.

However, China's leaders face a major problem in implementing their revisionist program. Chinese peasants and workers, because they did participate in making the Cultural Revolution, are more advanced politically than their counterparts anywhere else in the world. Their political awareness will make pursuit of the new strategy difficult. Bettelheim suggests that a combination of pseudo-Marxist propaganda and repression have been utilized to "convince" the masses of its efficacy. I would argue also that one of the functions of China's continuous attacks upon the Soviet Union (and recently upon Vietnam) is to defuse class struggle by promoting an unthinking nationalism among the people, while at the same time enhancing and entrenching the power of the Red Army. The emulation campaigns which Bettelheim condemns smack of regimentation and a "produce for the fatherland" mentality.

China's current attitude toward the Soviet Union, as put forward in the "Three Worlds" theory, may be consistent in another way with its shift rightward. The Soviet Union has a whole series of relationships with the West and with its own allies and satellites which have helped it to reach a fairly high level of technological development and Western-style industrialization. Now that China is apparently trying to do the same thing, it finds itself in direct competition with the Soviet Union. Therefore, anything which weakens the Soviet Union might enhance China's ability to become a world economic and political power. Hence Hua Kuo-feng's recent wooing of the outspoken but thoroughly revisionist regimes in Rumania and Yugoslavia. Of course, leftists might applaud anything which loosens the Soviet yoke in Eastern Europe, but what do we say when Hua visits the Shah of Iran and prepares the Chinese people for war with Vietnam? What do we say when, presumably to weaken Soviet imperialism in Africa, China gives *de facto* support to Mobuto in Zaire and the racists in South Africa? Is it not legitimate to speculate that these actions are not revolutionary but self-serving?

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Two last comments: Neil Burton makes some good points in his letter to Bettelheim, but I do not believe that his defense of the new regime holds up. For it to be true, we must assume that the basic aims of the Cultural Revolution have already been achieved. From what we know about the speed of social change, this seems unlikely. But even supposing that it is true, why does the new regime find it necessary to urge the masses to discipline themselves, to produce more, to submit to the Party hierarchy, etc.? If China were now truly socialist, wouldn't the people do those things on their own initiative? Finally, the recent outpouring of praise for the new Chinese leaders in both the conservative and liberal press should make leftists suspicious. Conservatives like the revisionist economic policies, while liberals are delighted at the increased intellectual and artistic freedom. Neither sees, as does Bettelheim, that there is a connection between the two, one which won't do much to liberate the workers and peasants of China.

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(*Continued from inside front cover*)
Mexican economists). ENEP is one of the newest (three years old) units of the National University of Mexico (Universidad Nacional Autónoma de México—UNAM) situated about three quarters of an hour's drive (through Mexico City traffic) from the center of town. We met many old friends and made new ones; and, as always happens in Mexico, the hospitality and consideration shown us by our hosts were far and away beyond the call of duty. The fact that both of us were away from the MR office for so long, however, had its negative side: an already heavy backlog of correspondence and manuscripts grew larger still. We must ask correspondents and authors alike for patience and forbearance, and to forgive us if in some cases (e.g., mss. which are too long or specialized to be considered for publication in MR) we are obliged to limit our reply to a mere formality.

Since the Chinese government officially shifted some months ago to the *pinyin* method of transcribing written Chinese, most of the media in the West have adopted the same policy. Nevertheless, we have not done so in this issue of MR which is entirely devoted to Chinese themes. The reason is that both the materials commented upon as well as the commentaries were written before the shift to *pinyin,* and to make all the changes that would have been necessary seemed under the circumstances to be needless editorial work and possibly even confusing in some cases. Future MR policy will be to follow the general changeover to *pinyin,* but we will not be in a rush to achieve perfect consistency.

MR Press announces the publication this month (May) of *Wasi'chu: A Continuing Indian War* by Bruce Johansen and Roberto Maestas. Within the modern American Indian movement *Wasi'chu* (literally "greedy one") has come to mean those corporations and individuals and their accomplices who continue to ravage and steal Indian lands and resources for their own profit. *Wasi'chu* stands for a state of mind, and the book is about resistance to that state of mind and its consequences, and to the economic system which nourishes and rewards it. It was a great upsurge of Indian militancy following the black liberation struggles and the peace movement of the 1960s which brought the "Indian problem" once again to the forefront of public concern. *Wasi'chu* is the story of that upsurge. It reports in eloquent detail the means which have been used to subjugate Indians both as individuals and as a people, and discusses and documents the reasons underlying this subjugation. Chapters deal, among other themes, with the struggles over coal and uranium deposits on Navajo lands, with strip-mining in Montana, and fisheries in Washington. Other chapters analyze the rise of Indian political consciousness and the growth of resistance, first on a local and then on a national level. The authors discuss the political lessons of this movement, linking the struggles of American Indians with those of oppressed peoples the world over, and pointing up the need for socialist solutions. Roberto Maestas is Executive Director of El Centro de la Raza in Seattle, and Bruce Johansen is a journalist and PhD candidate at the University of Washington who has published many articles on the Indian movement.

From time to time we receive a bequest from a reader who felt, in his or her lifetime, that financial support would help make possible the continuance of MR as a completely independent magazine. Any reader who may be moved to follow this example should be careful to state exactly, in the will, that the bequest is to "Monthly Review, Inc., presently of 62 West 14th Street, New York, N.Y. 10011."

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